

Message Text

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ACTION NEA-12

INFO OCT-01 ISO-00 EB-11 COME-00 MC-02 PM-07 NSC-07 SP-03

SS-20 RSC-01 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04

USIA-15 PRS-01 AID-20 TRSE-00 OMB-01 DOTE-00 XMB-07

L-03 DRC-01 /126 W

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R 241530Z APR 74

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 2291

INFO AMEMBASSY BEIRUT

C O N F I D E N T I A L TEL AVIV 2459

BEIRUT FOR RCAA

E O 11652: GDS

TAGS: ETRN, BEXP, IS

SUBJECT: WESTERN AIRLINES AIRCRAFT FOR SALE

REF: A) STATE 53790

B) STATE 51524

C) TEL AVIV A-316 (12/22/73)

1. OFFICIALS OF ISRAELI AIRCRAFT INDUSTRIES (IAI)
TOLD US LAST MONTH THAT THEY HAD BEEN UNABLE TO REACH
AGREEMENT WITH WESTERN AIRLINES WITH RESPECT TO
PURCHASE OF 720B AIRCRAFT. THEY PROMISED TO INFORM
US OF ANY FURTHER DEVELOPMENTS IN IAI ENDEAVOR TO
BUY ADDITIONAL USED AIRCRAFT FOR RENOVATION AND
RESALE. WITH REGARD IAI'S FINANCIAL POSITION
(REF B), SINCE IAI IS ENTIRELY OWNED BY GOI WE SEE
NO REASON TO DOUBT ITS ABILITY TO MEET ITS FINANCIAL
OBLIGATIONS (SEE REF C).

2. INRESPONSE REF B, EMBOFF ASKED IAI EXECUTIVE IN
MARCH FOR DISPOSITION OF 13 USED 707S PURCHASED
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IN 1971. EMBOFF CITED REPORTS IN ISRAELI PRESS

THAT ALL OF THESE HAD BEEN "OVERHAULED AND RENOVATED BY IAI AND SOLD A YEAR EARLIER THAN PLANNED". IAI OFFICIAL RESPONDED, A FEW DAYS LATER, WITH STATEMENT THAT INFO REQUESTED WAS "PRIVILEGED" AND REFERRED EMB TO MINISTRY OF DEFENSE. AT THAT POINT (MARCH 22), EMB ASKED CHIEF, NORTH AMERICA DEPT, MINISTRY OF FOREIGN AFFAIRS, TO ASSIST IN GETTING INFO ON STATUS OF 707S IN QUESTION. HE SAID HE COULD SEE NO DIFFICULTY IN PROVIDING THIS INFO AND ANTICIPATED DOING SO WITHIN A COUPLE OF DAYS. HOWEVER, DESPITE SEVERAL DISCUSSIONS WITH BOTH IAI AND MFA OFFICIALS, INFO ON STATUS OF 707S STILL HAS NOT BEEN PROVIDED.

3. IN MEANTIME, EMBASSY HAS INFORMALLY OBTAINED INFO, BELIEVED TO BE RELIABLE, FROM LOWER LEVEL OFFICIAL AT IAI APPARENTLY WITHOUT KNOWLEDGE OF HIS SUPERIORS. ACCORDING TO THIS SOURCE, DISPOSITION OF AIRCRAFT IS AS FOLLOWS: AEROPA AIRLINES--1; PHOENIX AIRLINES--1; AIR SIAM--1; BELGIAN TEA--3; DESIGNATED FOR ISRAELI AIR FORCE-- 5; AND 2 AIRCRAFT STILL UNSOLD.

4. COMMENT: IT IS NOT ENTIRELY CLEAR TO US WHY GOI IS SO RELUCTANT TO REVEAL DISPOSITION OF THESE AIRCRAFT. WE CAN ONLY ASSUME THAT ISRAELIS ARE CONCERNED THAT USE OF SOME OF THESE PLANES BY MILITARY COULD CAUSE PROBLEMS WITH EXIM BANK, BECAUSE OF LATTER'S FINANCING OF ORIGINAL SALE OF AIRCRAFT TO IAI. EMBOFFS HAVE SEEN AT LEAST 2 OF 707S IN USE BY ISRAELI AIR FORCE AS TROOP TRANSPORTS. WE ARE AWARE OF PAST REPORTS THAT ONE OR MORE OF THESE AIRCRAFT WOULD BE EQUIPPED FOR AIR-TO-AIR REFUELING BUT EMBASSY HAS NO CONFIRMATION OF THIS AND DAO TENDS TO DISCOUNT REPORTS. WE ALSO AWARE THAT DISPOSITION OF AIRCRAFT CITED PARA 3 ABOVE DIFFERS SLIGHTLY FROM THAT REPORTED REF C. PRE-SUMABLY MFA WILL EVENTUALLY RESPOND TO OUR REQUEST, AT WHICH TIME WE WILL REPORT FURTHER. IN MEANTIME, WE WOULD APPRECIATE KNOWING WHAT IF ANY RESTRICTIONS ON FINAL DISPOSITION OF AIRCRAFT WERE IMPOSED BY EXIM BANK LOAN AGREEMENT.

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Message Attributes

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Draft Date: 24 APR 1974
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Decaption Note:
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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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